

# PUT THE CAP ON IT

## How Energy Conservation unlocks the power of change

### Fuel to the fire

The Energy price shocks of the past two years remain with us. Wholesale prices are still around four times higher than they were in winter 2019-20. The immediate threat of blackouts appears to have passed, through rapid mobilization of gas storage and a fortunately warm winter. However, the structural issues that led to the energy crisis remain. And with government protection schemes being unwound in early 2023, now is the time for organizations to act.

Stakeholders now expect action from organizations. Customers expect businesses to be resilient and will quickly switch if operations are interrupted. Shareholders will expect a robust plan that protects their investment. Society needs organizations to participate in building a more sovereign energy system.

### Harnessing Energy Conservation

This enables new thinking about how partnerships and ecosystems can be formed. Employees are critical to this implementation, committed people will drive the pace of change and the adoption of new solutions, this will start with simple changes like turning off lights, but will quickly develop into employee led transformations.

### Directing energy where it matters most

The leaders of energy resilient organizations will address energy as a board and executive issue. They will have a deep understanding of where their energy comes from, how it flows through their organization, and what structural changes should be considered. It is time for senior accountability for energy to be clarified and the traditional split ownership across operations and procurement to be harmonized.

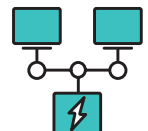
#### Optimizing Energy for Longevity



Energy Source



Energy Flow



Energy Infrastructure

### Made to measure

Developing the capability for visibility and control of energy is an essential early step. The use of energy in every building, piece of equipment, and process should be tracked. Operational decision making will be informed by this information, and more sophisticated approaches will be developed to manage energy use. Our own experience shows that savings of above 25% are achievable.

#### Three keys to resilience

##### Relationships

How to create strong relationships with energy producers, networks, and suppliers, through mechanisms such as Power Purchase Agreements.

##### On-site solutions

Who to work with on development of your own solar, wind, and battery resources.

##### Flexibility

How to adapt and create value through more flexible use of energy, for example through participation in a demand response scheme.

# Financial Services: The Net-zero Nest Egg

## A plan everyone can bank on

The vast majority of financial services' carbon footprint is made of their clients' contribution, out of which energy consumption is a critical part. As part of their net-zero targets, banks are already beginning to support client transitions to more eco-friendly practices, playing a major role in fostering better efficiency in energy-intensive sectors, including transports, real estate, and industry.

## Incentives to buck the trend

In retail and SME banking, with the introduction of the mandatory energy performance certificates for cars and real estate, banks now have the tools they need to help clients manage energy consumption. Favorable credit conditions for 'car loans' and 'mortgages' with more energy-efficient performance is an incentive for clients to choose cars with lower energy consumption and better insulated real estate twinned with home energy renovation.

## Real gains in real estate

Some banks have launched innovative value propositions, such as "platforms" for energy renovation in real estate, offering clients a full set of services, connecting them with energy diagnostic providers, energy renovation enterprises, and insurance and offering associated renovation loans. They also support energy renovation actions plans with quantified improvement trajectories. Occasionally, banks take stake in specialized providers, e.g., Société Générale's recent investment in Namr, specialists in real-estate data intelligence for energy transition.

## Centers of excellence strengthen bonds

In corporate banking, with energy prices rising, energy efficiency becomes environmental objective and a key differentiator for most energy-intensive corporations. Most advanced banks have launched centers of excellence by industry sector, supporting corporate bankers and clients in corporate practices and energy transformation choices.

## Bankers are corporate partners financing energy transitions

Financial institutions finance corporate transition plans and access to new technologies, processes, and innovations or access to renewable energies. Energy efficiency is now at the core of the relationship between bankers and corporations, fostering accelerated change. Financial institutions are also actively investing in promising technologies and innovations that will ultimately support the green economy and transition.

## The seal of approval

To better incorporate energy-reduction mechanisms, some banks have acquired organizations qualified to deliver energy-reduction certificates. Corporate bankers help small and large businesses implement deep transformations. They can be trained on energy efficiency topics and how clients can acquire energy-reduction certificates.

## The virtuous cycle of improvement

As a result, banks improve their corporate and individual client energy practices, enabling them to report their improvement to regulators and clients. Moreover, they can also improve their green asset ratio, as requested by European commission, which ultimately leads to more favorable economic conditions for most virtuous market players, stimulating continuous improvement and fostering the efficient use of energy.

## Capgemini leads the way

The Capgemini ESG practice has partnered with financial services to help them implement the change they need to build a more sustainable and energy-efficient future. We help clients define ESG strategy, train bankers to better understand the complexities of energy efficiency across industry sectors, define new business and operating models that tackling the critical energy topics, and build the technology and data infrastructure that supports that transformation. Capgemini is the partner of choice for your end-to-end transformation.

## Get in touch

Find out how you can build a more sustainable and future-proof organization with Energy Conservation.

For more information, contact [invent@capgemini.com](mailto:invent@capgemini.com)

And scan the QR code to visit the Energy Conservation webpage's informative resources.





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Yannick is an experienced commercial operations director with a demonstrated history of working in the financial services industry, FinTech, and regulatory technology focusing on green regulations. He is passionate about supporting the financial industry in an accelerated transition towards a global sustainable economy.

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